

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AGR-05 INT-05 SP-02 AID-05 EB-07 NSC-05

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SUBJECT: LABOR UNCERTAINTY CONTINUES

REF: LIMA 4796

1. THE GOP, AS YET UNABLE TO PUT TOGETHER A COMPREHENSIVE ECONOMIC PACKAGE WHICH WOULD INCLUDE A GENERAL WAGE INCREASE, CONTINUES TO BE TROUBLED BY INFLATION-INDUCED LABOR DIFFICULTIES. IN LAST FEW WEEKS THE GOP HAD ATTEMPTED TO POSTPONE WAGE SETTLEMENTS UNTIL ITS ECONOMIC PACKAGE WAS DECREED, BUT FACED WITH INCREASINGLY DISRUPTIVE STRIKES AFFECTING THE PUBLIC SECTOR HAS FELT COMPELLED TO SETTLE CERTAIN STRIKES EVEN AT CONSIDERABLE COST. IN OTHER CASES, THE GOVERNMENT HAS AGREED TO NON-WAGE LABOR DEMANDS IN ORDER TO PREVENT OR END LABOR WALKOUTS AND TO BUY TIME WHILE WAGE NEGOTIATIONS CONTINUE.

2. THE UNIVERSITY WORKERS STRIKE WAS SETTLED JUNE 18 AFTER A 22-DAY WALKOUT. THE WAGE INCREASE (PARTIALLY DEFERRED) WAS WELL OVER 20 PERCENT. WORKERS WERE ALSO PAID FOR DAYS LOST DUE TO STRIKE.

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3. SOCIAL SECURITY WORKERS AGREED TO SUSPEND THEIR STRIKE

ACTION WHICH HAD CLOSED HOSPITALS AND DISRUPTED ESSENTIAL SERVICES IF THE GOVERNMENT WOULD REINSTATE ALL WORKERS WHO HAD BEEN FIRED FOR PREVIOUS ILLEGAL STRIKE ACTIVITY. THE GOP AGREED TO THESE CONDITIONS AND NEGOTIATIONS ON WAGE ISSUES CONTINUE.

4. POSTAL WORKERS HAVE BEEN ON STRIKE FOR THE PAST WEEK. THE GOVERNMENT, WHICH HAS BEEN ABLE TO PROVIDE LIMITED POSTAL SERVICES DURING THE STRIKE THROUGH USE OF ADMINISTRATIVE PERSONNEL AND WORKERS CONTRACTED ON EMERGENCY BASIS, HAS REFUSED SO FAR TO NEGOTIATE WAGE DEMANDS. UNION CLAIMS THEY HAVE BEEN TOLD TO WAIT FOR A SOON-TO-BE-ANNOUNCED GENERAL WAGE INCREASE.

5. LIMA PROVINCE MUNICIPAL WORKERS WALKED OUT JUNE 19. WORKERS DEMANDED RE-OPENING OF CONTRACT (SIGNED IN DECEMBER 1974) AND AN IMMEDIATE INCREASE OF 35 SOLES PER DAY. CITY SERVICES, MOST NOTABLY GARBAGE COLLECTION, ARE SERIOUSLY AFFECTED. THE LIMA PROVINCIAL COUNCIL DECLARED THIS STRIKE ILLEGAL AND HAS THREATENED TO FIRE STRIKERS. THE CITY HAS PROCEEDED TO HIRE NEW WORKERS TO BEGIN GARBAGE COLLECTION BUT IS UNABLE TO DO JOB EFFECTIVELY.

6. TEACHERS UNION (SUTEP) MET JUNE 24 TO PLAN NEXT STEP IN EFFORT TO SECURE A MAJOR SALARY INCREASE. THE UNION WILL HOLD A NATIONAL CONGRESS IN CUZCO JULY 4.

7. IN SUM, WORKERS AND UNIONS ARE CONTINUING TO EXERT CONSIDERABLE PRESSURE ON GOP, WHICH HAS YET TO FORMULATE A COHERENT WAGE POLICY. THE PROSPECTS FOR EASING OF TENSION IN THE LABOR FIELD WILL NOT IMPROVE UNLESS THE GOP CAN FIND A WAY TO MITIGATE THE DELETERIOUS EFFECTS OF INFLATION ON WAGE EARNERS.
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